



*United States Attorney  
Southern District of New York*

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**U.S. ARRESTS FIVE IN \$10 MILLION BANK FRAUD  
SCHEME AT ABACUS BANK IN NEW YORK'S CHINATOWN**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, and PASQUALE D'AMURO, Assistant Director in Charge of the FBI New York Field Office, announced that YIN MEI KU, a/k/a "Mei Ku," CHRISTOPHER CHAN, TUEN MAN POON, ESTHER YIP, KIM DIEP and CAROL LIM, a/k/a "Mee John Lim," a/k/a "John Mee Lim," all one-time bank employees, were charged in a Complaint unsealed today in Manhattan federal court with participating in a conspiracy to defraud Abacus Federal Savings Bank (the "Bank") and its customers of at least \$10 million. All the defendants but CAROL LIM were arrested by Special Agents of the FBI today.

As charged in the Complaint, from 2001 through April 2003, the six bank employees conspired to deceive Abacus and its

customers by engaging in false and illegal transactions in customer accounts, by making false representations to customers about the status of their accounts and by interfering with the bank's internal audit in March 2003 of the cash vault of the bank's Canal Street branch.

As alleged in the Complaint, on numerous occasions, LIM, a Bank vice president and Canal Street branch manager; KU, a Bank head teller; and CHAN, a Bank teller; accepted deposit tickets and monies tendered by customers and: (i) failed to deposit the money into the customers' accounts; (ii) applied some of the customers' funds to other accounts, without the customers' authorization or knowledge; and (iii) discarded the customers' deposit tickets and created false deposit tickets to reflect the (smaller) deposits that LIM, KU and CHAN actually processed into the customers' accounts. On other occasions, LIM, KU and CHAN, transferred or withdrew money from numerous customer accounts without obtaining the particular customer's knowledge or approval.

As a result of the unauthorized withdrawals from Abacus' customers accounts, the amounts that appeared in their passbooks were much higher than the amount of money that was actually in their accounts and reflected in the Bank's computer system. The Complaint alleges that between 1999 and April 2003, LIM opened numerous accounts for the Bank and accepted approximately \$10 million from Bank customers, but committed

various misconduct with her co-conspirators, including failing to deposit customer funds with the Bank, and failed to properly account for the customer funds.

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Returned Checks

The Complaint also alleges that from 2001 through April 2003, LIM, KU, DIEP and POON schemed to defraud the Bank and its customers by concealing that numerous checks had been returned for lack of sufficient funds. As alleged in the Complaint, from at least 2001 through April 2003, at LIM's direction, POON, a supervisor of check processing, in violation of Bank policy, failed to disclose to certain customers that their checks had been returned for insufficient funds; applied the returned checks to other customer accounts, without the knowledge or approval of those customers (or the customers who had written the checks); and held the returned check for as long as ten days, while LIM attempted to transfer or deposit money into the account on which the check had been written.

At times, POON arranged for KU and DIEP, an assistant branch manager, to pass messages to LIM about the returned checks and obtain further instructions from LIM. To date, the returned checks in this scheme totaled approximately \$900,000.

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Bank Vault Audit

The Complaint further charges that LIM, KU, YIP and DIEP conspired to defraud Abacus Bank in March 2003 by

deliberately interfering with an internal audit of its cash vault located at the Canal Street Branch.

According to the Complaint, on or about March 13, 2003, LIM and KU learned that auditors intended to audit the cash vault located at the Canal Street Branch. Knowing that the vault was short by approximately \$150,000, LIM went to the Bowery Street branch and obtained from YIP, the head teller of that branch, approximately \$150,000 in cash. YIP directed employees to destroy the Bowery Street branch wrappers on the cash, and YIP did not disclose to her supervisor that she was providing this cash to LIM.

By the time auditors commenced the count of the vault, LIM had returned to the Canal Street branch. After auditors noted a shortfall of approximately \$150,000 in the Canal Street branch's vault, LIM reported that she had "found" the \$150,000 that she claimed had been inadvertently left in a drawer near the tellers' stations.

#### The Charges

The Complaint charges three conspiracy counts, each of which carries, upon conviction, a maximum penalty of five years' imprisonment and a \$250,000 fine. In addition, LIM was previously charged with embezzling funds from the Bank.

KU, CHAN, DIEP, YIP and POON were presented today on the charge in the Complaint before U.S. MAGISTRATE RONALD ELLIS.

Mr. KELLEY praised the efforts of the Federal Bureau of Investigation for its investigation, which is continuing.

Assistant United States Attorney MIRIAM H. BAER is in charge of the prosecution.

The charges contained in the Complaints are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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